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EXTRACT

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AUDIT REPORT

25 December 1956

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Audit Comments

Real Property

37. The [redacted] is responsible for maintaining files containing the following reports or statements on each property leased under [redacted]

a. Current leases or other indication of terms of the lease [redacted]

b. Statement setting forth responsibilities of the Organization and the employee with respect to quarters leased [redacted]

c. Declaration of Trust covering leased property [redacted]

d. Form 360 (formerly Form 36-220) Foreign Real Property Report [redacted]

Each of the audit reports dated 29 December 1954, 4 November 1955, and 27 August 1956, discussed some or all of these documents and reports and requested action by the station to complete its files. At the completion of the last audit the auditor furnished the [redacted] with details of deficiencies at that date. The current audit disclosed that many of these prior audit deficiencies had not been corrected and that the files are still incomplete. No current leases are on hand for a few of the properties. Since the last audit the form used to set forth responsibilities of the Organization and the employee was revised in order to reflect a change in station policy with respect to repairs to

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quarters, and the forms which had previously been completed and filed were removed from the files and destroyed without being replaced by the revised form. Signed Declarations of Trust were missing on most properties. Action should be taken to bring these files up to date and maintain them on a current basis in the future.

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39. [REDACTED] prescribes the procedure by which operational real property (safehouses) will be obtained, maintained, disposed of, and reported. A review of the [REDACTED] files and records relating to this type of property indicates general non-compliance with this directive. Some of the deficiencies noted were:

a. Case officers have in some cases furnished no English translation of documents (including leases).

b. Leases have sometimes been contracted without prior coordination with the [REDACTED] by the case officers.

c. Case officers have not always completed "Safehouse Information Sheet."

d. [REDACTED] has in a few instances made disbursements for rent and other costs without first obtaining "Safehouse Information Sheet."

e. [REDACTED] has not assigned property account numbers. [REDACTED] has assigned names and numbers to all safehouses known to it but these names and numbers are generally not used by the [REDACTED]

f. Case officers have not always prepared and forwarded "Foreign Real Property Reports" and Declarations of Trust.

g. No memorandum is furnished the [REDACTED] and the [REDACTED] naming the employee assigned to occupy a safehouse in lieu of provision of other quarters.

h. [REDACTED] is not generally furnished with a signed copy of the receipt evidencing renewal or extension of a lease.

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1. Case officers do not always notify
in writing of termination of real properties.

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Action should be taken to comply with this Directive in the future.

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